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December 22, 2000

TO:

File: M/001/027

FROM:

Tom Munson, Senior Reclamation Specialist

RE:

Update Meeting, Pearl Queen Perlite, Basin Perlite Company, M/001/027, Beaver County,

Utah

Date of Meeting:

12/20/00

Location:

Division Offices, conference room "A"

Time of Meeting:

9:00AM

Participants:

Jay Gatten, North American Resources, Bill Wilson, President of Basin Perlite Company, Tim Hall, Vice President, Perlite Operations of Basin Perlite Company

Purpose of Meeting:

To discuss upcoming revisions to the mine plan and plant site

After initial introductions, Wayne Hedberg gave a brief overview of the permitting and bonding process required by the Division. Bill Wilson then gave us a brief overview of the economics of his mine and processing plant. He stated that the amount of product produced this year would be four times greater than last year. He also stated that they would be branching out into Perlite microspheres for the dry wall market. Wayne asked Mr. Wilson what impact this would have on the plant site permit and informed Mr. Wilson that the plant's small mine permit was restricted to five acres or it would have to be updated into a large mine permit.

Mr. Wilson stated that the primary market for his product was the ceiling tile market. The mine and plant employ 11 people. The plant will be undergoing a revamping to accommodate the Perlite Microsphere kilns, etc. The mining of the perlite is done by Progressive Mining out of St. George under contract with Basin Perlite. The last mining regime consisted of 50,000 tons of perlite being stockpiled.

The next discussions centered around the permitting implications of the mine expansion. We discussed the areas where the increase in acreages would occur (9.5 acres on State Trust lands, 5.0 acres on Federal lands). Next we discussed the archaeological survey of the state lands affected by the increase in mining. It was stated that Montgomery Archaeological Consultants would complete the study this spring after getting the approval of the State Lands Archaeologist Kenny Winch and State History Archaeologist, Mr. Dykeman. The study will involve data collection on about ten sites. The snow at present precludes the study going ahead until spring. Mr. Wilson expressed some timing considerations involving the project, if the Division decided it was appropriate to go to public comment. Mr. Hedberg stated that it was our opinion that the project was a Revision based on our Amendment versus revision policy. A copy of our filled out policy sheet is attached to this memo. Mr. Hedberg also stated that we could possibly reach tentative approval by 3the end of February depending on the completeness of Basin Perlite's submittal.

mooi/027

DIVISION OF OIL, GAS and MINING

Minerals Program

12/19/00	BASIN PERLITE CO.	PEARL QUEEN	m001/027
Date /	Operator - Project Name	PERLITE	File #

Criteria for Defining Amendments and Revisions

This policy became effective May 22, 1991

The following policy provides clarification in determining whether a proposed change to a plan should be considered an amendment or a revision under rules R647-4-118 and R647-4-119. A revision is considered a significant change to the approved Notice of Intention or MRP and would require public notice. An amendment is considered to be a less significant change to the Notice of Intention. If the proposed change to the Mining and Reclamation Plan qualifies for three of the four categories discussed below, then the change will be considered a *revision* and addressed under rule R647-4-119. If the proposed change does not fall within three of the categories below, it will be considered an *amendment* and addressed under rule R647-4-118. The determination will be based on the following categories:

	Criteria	MINEPLAN AGORAMENTS
1	The acreage will increase by 50% of the existing acreage or 50 acres, whichever is smaller. For example, if a 10 acres site increases by 5 acres, it would then fall within	9 ACRES - SITLA 4.5 ACRES - BLM PRÉJIOUSLY MINER
acre site increases by 5 acres, it would then fall withis category.		10 ACRÉS CURRENTLY PERMITTED
2	The surety will increase by 25% of the existing surety or \$50,000, whichever is smaller.	SURRENT SURETY BOND \$40,800.00 FOR 10 AC
		ADDITION AL SURETY 15\$55,080.00 FOR 13.5 AC.
3	The overall additional environmental impacts are considered significant, when compared with impacts already affecting the site. The degree of change would not be negligible. This determination is made after evaluating the impacts to soils, vegetation, hydrology (ground and surface), wildlife, air, or other media.	NO DIFFERENT ENUIRONMENTAL COSDITIONS
4	The impacts proposed in the amendment are significant enough to warrant the need for an opportunity for public comment.	PREHISTORIC ARTIFACTS ADDITIONAL CULTURAL SURVEY FOR NEW AREA

This proposal is:	This	proposal	15:
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